

60. PROCEEDINGS OF THE COMMISSIONER OF COMMERCIAL TAXES  
THIRUVANANTHAPURAM

Present:- Paul Antony.IAS

Sub:- KVAT Act 03- Rate of tax on certain orthopaedic implants-  
Rectification U/s. 66- orders issued- Reg:

Read:- 1. Application in Form No. 24 Dt. 01.01.06 filed by Sri.  
K.S.Prasannan,Ktm

2. This office order No. C7. 4264/06/CT Dt. 27.05.06

3. Letter No. G1.11101/06/MCT Dt. 23.06.06 from Principal  
Medical College, Tvpm

4. Application for rectification filed by the applicant.

ORDER No.C7.4264/06/CT Dt. 14..12..07

As per reference 1st cited, Sri.K.S.Prasannan, Prop. Dental Sales,  
Kottayam has requested to clarify the rate of tax on the following items.

1. Total Knee Implants
2. Total hip implants
3. Austin Moore endoprosthesis
4. Bipolar Prosthesis
5. Elbow prosthesis
6. Bimod hip implants
7. Inter locking nail humerous, tibia & pemour
8. Thompson endoprosthesis
9. Bimod acetabular cups
10. Dynamic hip screws & Plates
11. Dynamic compression plates
12. Cortical Screws.
13. Cancellous screws
14. Malleolar Screws
15. Dynamic condylar plates
16. Femoral ramma nail
17. Femoral lag screws
18. Kuntschers cloverleaf nails for femur
19. Kuntschers nail for humerous
20. Kuntschers nail for tibia
21. Rush nails for tibia
22. Square nails for forearm
23. One-third tabular plate
24. Semitabular plate
25. Kirschner wires
26. S.S.Sutures wires
27. Maxillofacial mini bone plates
28. Maxillofacial mini bone screws

29. Reconstruction plates for mandible
30. Orbita plates.

Accordingly, after giving an opportunity for personal hearing, it was clarified that the items will fall under RNR category @ 12.5%, vide order 2<sup>nd</sup> cited.

But, vide letter cited 3<sup>rd</sup> above, the Principal Medical College Hospital Thiruvananthapuram has informed that out of the 30 items, 8 are artificial parts of body and remaining are implants used for fixation of fractures.

The applicant, as per reference 4<sup>th</sup> cited, has requested to reconsider the above order, since the items dealt by him squarely comes under sub-entry 1,2 and 3 of entry 2 of the schedule 1 of KVAT Act 03 and the corresponding HSN Codes being 9021.10.00, 9021.31.00 and 9021.39.00.

The issue has examined in detail. HSN 9021 relates to "Orthopaedic appliances, including crutches, surgical belts, and trusses, splints and other fracture appliances, artificial parts of body, hearing aids and other appliances which are worn or carried or implanted in the body to compensate for a defect or disability.

According to the Principal, Medical College Hospital, item No. 1 to 6, 8 and 9 ie, 8 items mentioned above are artificial parts of the body. Hence these items will fall under entry 2(3) of 1<sup>st</sup> schedule to KVAT Act 3002 covering HSN 9021.39.00 which reads as "other artificial parts of the body-other"

As regards to other items, ie 7 and 10 to 30, according to principal Medical College Hospital, these are implants used for fixation of fractures, as such they are "Orthopaedic or fracture appliances" covering HSN 9021.10.00. This is also listed in entry 2(1) of 1<sup>st</sup> schedule.

Hence all the items appears to have covered under entry 2 of 1<sup>st</sup> schedule and as such they are exempted from VAT.

In the circumstances order No. C7. 4264/06/CT Dt. 27.05.06 is modified as above.

Commissioner.